

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA
Civil No. 08-5348 ADM/JSM

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
1. THOMAS JOSEPH PETTERS;)
PETTERS COMPANY, INC., aka)
PCI; PETTERS GROUP WORLDWIDE, LLC;)
2. DEANNA COLEMAN aka DEANNA MUNSON;)
3. ROBERT WHITE;)
4. JAMES WEHMHOFF;)
5. LARRY REYNOLDS, and/or dba NATIONWIDE)
INTERNATIONAL RESOURCES aka NIR;)
6. MICHAEL CATAIN, and/or dba ENCHANTED)
FAMILY BUYING COMPANY;)
7. FRANK E. VENNES JR., and/or dba METRO GEM)
FINANCE,)
METRO GEM INC.,)
GRACE OFFERINGS OF FLORIDA, LLC,)
METRO PROPERTY FINANCING, LLC,)
38 E. ROBINSON, LLC,)
55 E. PINE, LLC,)
ORLANDO RENTAL POOL, LLC,)
100 PINE STREET PROPERTY, LLC,)
ORANGE STREET TOWER, LLC,)
CORNERSTONE RENTAL POOL, LLC,)
2 SOUTH ORANGE AVENUE, LLC,)
HOPE COMMONS, LLC,)
METRO GOLD, INC.;)
Defendants.)
)
DOUGLAS A. KELLEY,)
Receiver,)
)
GARY HANSEN,)
Receiver.)

**ORDER APPROVING PAYMENTS TO PRESERVE ASSETS
AND PAYMENTS OF LIVING EXPENSES**

Before the Court is Receiver Douglas A. Kelley's ("Receiver Kelley") Motion to Approve Payments to Preserve Assets and to Approve Payment of Living Expenses (the "Motion") [Docket No. 134] regarding the following named defendants: Thomas Joseph Petters ("Petters"), Deanna Coleman ("Coleman"), Robert White ("White"), James Wehmhoff ("Wehmhoff"), Larry Reynolds ("Reynolds"), and Michael Catain ("Catain"). A hearing was held on December 15, 2008, at which time Receiver Kelley appeared in support of the Motion. Richard C. Salmen appeared on behalf of Petters, Allan H. Caplan appeared on behalf of Coleman, David J. Wallace-Jackson appeared on behalf of Wehmhoff, and Frederick K. Bruno appeared on behalf of Reynolds. Also, Wright S. Walling appeared on behalf of Tracy Mixon ("Mixon"), who is not a party to this action but who has requested that the living expenses for Petters include an allocation of payments to her in the form of child support, attorney's fees, and other expenses. Other interested parties noted their appearances for the record but did not address the issues before the Court.

Upon consideration of the motion and supporting affidavit of Receiver Kelley, as well as the oral argument heard on December 15, 2008, it is hereby ordered that:

1. Receiver Kelley is authorized to preserve assets with equity as long as funds are available or until otherwise ordered by the Court.
2. Receiver Kelley's Motion is approved and he is authorized to release expenses necessary for the preservation of assets and to release living expenses to the individual

defendants in the amounts described in his affidavit (Aff. of Receiver [Docket No. 136] ¶¶ 9-16, Attachs. C-H) to the extent that funds for such expenses are available or until otherwise ordered by the Court and subject to the following corrections/clarifications/additions:

a. The expense approved for real estate taxes on Petters's Florida residence is \$13,333 per month and the approved expense for real estate taxes on the Colorado residence is \$439 per month. Aff. of Receiver, Attach. C.

b. Because counsel for White was unable to appear at the December 15, 2008 hearing, the Court's approval of Receiver Kelley's Motion as it pertains to White is without prejudice to White being permitted to submit objections.

c. The approved expense for Wehmhoff for housekeeping supplies, apparel and services, and personal-care products is \$268 per month. Aff. of Receiver, Attach. F.

d. The approved expense for Catain for his son's college tuition and room and board is \$5,635.82, which is sufficient to cover expenses for the remainder of the current semester. Aff. of Receiver ¶ 16, Attach. H.

e. The following additional expenses for Reynolds are also approved:

(1) bills in the amount of \$152.29 and \$202.55 for telephone lines that are necessary to maintain alarm systems at Reynolds' Los Angeles and Las Vegas residences and thus are necessary for the preservation of assets; and

(2) a bill in the amount of \$51.14 for a mobile telephone.

BY THE COURT:

s/Ann D. Montgomery
ANN D. MONTGOMERY
U.S. DISTRICT JUDGE

Dated: December 16, 2008.